GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1989
ANSWERED ON:11.12.2008
LOSSES SUFFERED BY BHARAT HEAVY PLATE AND VESSELS LIMITED
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Bharat Heavy Plate and Vessels Limited (BHPVL) is running into losses;

(b) if so,the details thereof for the last three years alongwith the reasons therefor;

(c) whether the Government has any proposal to revive BHPVL;

(d) if so, the details thereof; and

(e) the time by which the above unit is likely to be revived?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHUNATH JHA)

(a)& (b): The financial performance of Bharat Heavy Plate & Vessels Limited (BHPV) for the last three years is as under:-

(Rupees in crore) Items	2005-06	2006-07	2007-08
Turnover (without excise)	115.35	173.98	191.33
Profit Before Tax	-71.38	-34.36	-55.89
Profit after Tax	-71.38	-34.70	-56.05

Reasons for losses:
(i) Heavy interest burden on account of Government of India past loans;
(ii) Provisioning of sundry debtors during 2007-08 as directed by Government Auditors;
(iii) Insufficient order book position leading to idle capacity;
(iv) Problems in working capital due to non-availability of Bank Credit resulting in delay in execution of orders in hand; and
(v) Low employee morale due to 1992 scales of pay.

(c) to (e): Yes Sir.
(i) A revival package has been approved by the Government which includes, waiver of loan and interest amounting to Rs.415.61 crore,Government Guarantee of Rs.250 crore to raise bonds, takeover of both assets and liabilities of BHPV by BHEL by making it their subsidiary.
(ii) Time limit cannot be indicated as this is a BIFR Company and rehabilitation scheme is yet to be approved by BIFR.